

COVINGTON & BURLING

1330 AVENUE OF THE AMERICAS
NEW YORK, NY 10019
TEL 212.841.1000
FAX 212.841.1010
WWW.COV.COM

NEW YORK
WASHINGTON
SAN FRANCISCO
LONDON
BRUSSELS

June 13, 2006

BY ECF

Honorable J. Frederick Motz
United States District Court
District of Maryland
101 West Lombard Street
Baltimore, Maryland 21201

Re: *In re Mutual Funds Investment Litigation, MDL-1586*
Alger Subtrack, No. 04-md-15863 (JFM)
Proposed Fund Derivative Order

Dear Judge Motz:

We are counsel to James P. Connelly, Jr.

In accordance with the Court's Memo to Counsel in all subtracks, dated May 30, 2006, we conferred with derivative plaintiffs' counsel in an attempt to agree to wording for a proposed order implementing the Court's ruling with respect to motions to dismiss claims under Section 48(a) of the Investment Company Act. Unfortunately, we were unable to come to an agreement. Accordingly, we respectfully submit the attached Proposed Order for the Court's entry, which we believe most accurately reflects the Court's rulings.

We believe that it is important to be clear that the derivative action has been dismissed in its entirety as to Mr. Connelly, particularly in light of the Court's paperless order, dated June 13, 2006, deferring ruling on Mr. Connelly's motion to dismiss for lack of service. Accordingly, we respectfully request that the Court enter the attached Proposed Order.

Respectfully submitted,

/s/ David W. Haller
David W. Haller